

Message Text

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16

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 COME-00 TRSE-00 PM-03 NSC-05

SP-02 SS-15 L-02 H-02 CIAE-00 INR-07 NSAE-00 /054 W

----- 062855

R 172111Z APR 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 2946

UNCLAS SANTIAGO 2743

E.O.11652;N/A

TAGS: ETRD, CI

SUBJ: EXPORT INCENTIVE PROGRAM

1. NEW GOC EXPORT PROMOTION AGENCY, PROCHILE, IS DEVELOPING EXPORT INCENTIVE PROGRAM AND HAS ASKED EMBASSY'S INFORMAL, UNOFFICIAL REACTION TO FOLLOWING POSSIBILITIES:

(A) REDUCTION OF INCOME TAX ON EXPORT EARNINGS;

B) REDUCTION OF WITHHOLDING TAX ON ROYALTY AND OTHER SERVICE PAYMENTS ABROAD WHEN SUCH SERVICES SUPPORT EXPORTS;

C) REDUCTION OF DUTY ON IMPORTED CONTENT OF EXPORTS; AND

D) REDUCTION OF SOCIAL SECURITY TAXES FOR EXPORTING FIRMS (GOC APPARENTLY WOULD PAY EMPLOYER'S CONTRIBUTION.)

2. EMBASSY TOLD PROCHILE THAT ACCEPTABILITY OF VARIOUS EXPORT INCENTIVES NOW UNDER DISCUSSION IN THE GATT. PROCHILE, HOWEVER, SAID IT IS UNDER GREAT PRESSURE FROM GOC TO PRODUCE EXPORT INCENTIVE PROGRAM QUICKLY AND CANNOT WAIT FOR CLEARER GATT GUIDELINES.

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3. SINCE CONSULTATION NOW COULD AVOID PROBLEMS

WITH U.S. IN FUTURE, EMBASSY AGREED TO SEEK EXPERT
COMMENTS FROM WASHINGTON ON GOC INCENTIVES WITH
UNDERSTANDING THAT COMMENTS WILL BE GENERALIZED
AND UNOFFICIAL.

4. USG COMMENTS ON PROPOSED GOC INCENTIVES WOULD BE APPRECIATED.
POPPERP

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, ECONOMIC PROGRAMS
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Draft Date: 17 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANTIA02743
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Document Unique ID: 00
Drafter: n/a
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From: SANTIAGO
Handling Restrictions: n/a
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Margaret P. Grafeld
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05 JUL 2006

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Status: NATIVE
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TAGS: ETRD, CI
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